

Wednesday, August 1, 2010

Washington, D.C. – Congressman Ben Ray Luján of New Mexico's Third District voted today against a House Republican bill that gives extra tax breaks to the richest 2 percent of Americans and allows important tax breaks for the middle class to expire. He instead supported a Democratic alternative that cuts taxes for the first \$200,000 of income for all individuals and \$250,000 for all families – giving all Americans a tax cuts while allowing tax cuts on income above those levels to expire.

“House Republicans missed an opportunity today to strengthen the middle class and cut taxes for every American in favor of a budget busting proposal that adds a trillion dollars to the deficit for more tax breaks for millionaires and billionaires,” Congressman Luján said. “Under the Democratic plan, 98 percent of New Mexico families and 97 percent of small businesses would not see their taxes increase at all. It's time we started expanding opportunity and stopped shrinking the middle class. Providing tax relief that is focused on middle-class families in New Mexico is vital to a stronger economy that works for the people and businesses that are the backbone of our communities.”

Under the Republican bill that passed the House, 25 million families with incomes below \$250,000 will face an average tax increase of \$1,000 while households with annual incomes over \$1 million will get an average tax cut of \$160,000. The Republican legislation allows the American Opportunity Tax Credit to expire, which provides families a tax credit to pay for college tuition, books, and other college costs. It also reduces the number of working families that are eligible for the Child Tax Credit. By including more tax cuts for the top 2 percent of Americans, the Republican plan adds nearly \$1 trillion to the deficit over 10 years.

Luján supported legislation introduced by House Democrats that is identical to the measure passed in the Senate last week that extends tax cuts for the middle class and for all Americans. It extends tax cuts on income up to \$200,000 for individuals and \$250,000 for married couples, while extending the American Opportunity Tax Credit, the expanded Child Tax Credit and the Earned Income Tax Credit for middle-class families.

#

